



General Assembly

February Session, 2016

***Raised Bill No. 5636***

LCO No. 3303



Referred to Committee on FINANCE, REVENUE AND  
BONDING

Introduced by:  
(FIN)

***AN ACT CONCERNING MUNICIPAL TAXING DISTRICTS, THE SALES  
TAX, THE APPRENTICESHIP TAX CREDIT, CERTAIN FEES AND THE  
TAX CREDIT REPORT.***

Be it enacted by the Senate and House of Representatives in General  
Assembly convened:

1 Section 1. Section 7-326 of the general statutes is repealed and the  
2 following is substituted in lieu thereof (*Effective October 1, 2016*):

3 At [such meeting] a meeting held pursuant to section 7-325, the  
4 voters may establish a district for any or all of the following purposes:  
5 To extinguish fires, to light streets, to plant and care for shade and  
6 ornamental trees, to construct and maintain roads, sidewalks,  
7 crosswalks, drains and sewers, to appoint and employ watchmen or  
8 police officers, to acquire, construct, maintain and regulate the use of  
9 recreational facilities, to plan, lay out, acquire, construct, reconstruct,  
10 repair, maintain, supervise and manage a flood or erosion control  
11 system, to plan, lay out, acquire, construct, maintain, operate and  
12 regulate the use of a community water system, to collect garbage,  
13 ashes and all other refuse matter in any portion of such district and

14 provide for the disposal of such matter, to implement tick control  
15 measures, to install highway sound barriers, to maintain water quality  
16 in lakes that are located solely in one town in this state, to establish a  
17 zoning commission and a zoning board of appeals or a planning  
18 commission, or both, by adoption of chapter 124 or chapter 126,  
19 excluding section 8-29, or both chapters, as the case may be, which  
20 commissions or board shall be dissolved upon adoption by the town of  
21 subdivision or zoning regulations by the town planning or zoning  
22 commission, to adopt building regulations, which regulations shall be  
23 superseded upon adoption by the town of building regulations, [and]  
24 to provide ferry service, and to plan, lay out, acquire, construct,  
25 maintain, operate and regulate a community broadband system. Any  
26 district may contract with a town, city, borough or other district [for  
27 carrying] to carry out any of the purposes for which such district was  
28 established.

29 Sec. 2. Subdivision (1) of section 12-408 of the 2016 supplement to  
30 the general statutes is repealed and the following is substituted in lieu  
31 thereof (*Effective October 1, 2016, and applicable to sales occurring on or*  
32 *after October 1, 2016*):

33 (1) (A) For the privilege of making any sales, as defined in  
34 subdivision (2) of subsection (a) of section 12-407, at retail, in this state  
35 for a consideration, a tax is hereby imposed on all retailers at the rate  
36 of six and thirty-five-hundredths per cent of the gross receipts of any  
37 retailer from the sale of all tangible personal property sold at retail or  
38 from the rendering of any services constituting a sale in accordance  
39 with subdivision (2) of subsection (a) of section 12-407, except, in lieu  
40 of said rate of six and thirty-five-hundredths per cent, the rates  
41 provided in subparagraphs (B) to (H), inclusive, of this subdivision;

42 (B) At a rate of fifteen per cent with respect to each transfer of  
43 occupancy, from the total amount of rent received for such occupancy  
44 of any room or rooms in a hotel or lodging house for the first period  
45 not exceeding thirty consecutive calendar days;

46 (C) With respect to the sale of a motor vehicle to any individual who  
47 is a member of the armed forces of the United States and is on full-time  
48 active duty in Connecticut and who is considered, under 50 App USC  
49 574, a resident of another state, or to any such individual and the  
50 spouse thereof, at a rate of four and one-half per cent of the gross  
51 receipts of any retailer from such sales, provided such retailer requires  
52 and maintains a declaration by such individual, prescribed as to form  
53 by the commissioner and bearing notice to the effect that false  
54 statements made in such declaration are punishable, or other evidence,  
55 satisfactory to the commissioner, concerning the purchaser's state of  
56 residence under 50 App USC 574;

57 (D) (i) With respect to the sales of computer and data processing  
58 services occurring on or after July 1, 1997, and prior to July 1, 1998, at  
59 the rate of five per cent, on or after July 1, 1998, and prior to July 1,  
60 1999, at the rate of four per cent, on or after July 1, 1999, and prior to  
61 July 1, 2000, at the rate of three per cent, on or after July 1, 2000, and  
62 prior to July 1, 2001, at the rate of two per cent, on or after July 1, 2001,  
63 at the rate of one per cent, and (ii) with respect to sales of Internet  
64 access services, on and after July 1, 2001, such services shall be exempt  
65 from such tax;

66 (E) (i) With respect to the sales of labor that is otherwise taxable  
67 under subparagraph (C) or (G) of subdivision (2) of subsection (a) of  
68 section 12-407 on existing vessels and repair or maintenance services  
69 on vessels occurring on and after July 1, 1999, such services shall be  
70 exempt from such tax;

71 (ii) With respect to the sale of a vessel, such sale shall be exempt  
72 from such tax provided such vessel is docked in this state for sixty or  
73 fewer days in a calendar year;

74 (iii) With respect to the sale of a vessel motor or a vessel other than a  
75 vessel docked in this state for sixty or fewer days in a calendar year at  
76 a rate of three per cent on the entire sales price;

77 (F) With respect to patient care services for which payment is  
78 received by the hospital on or after July 1, 1999, and prior to July 1,  
79 2001, at the rate of five and three-fourths per cent and on and after July  
80 1, 2001, such services shall be exempt from such tax;

81 (G) With respect to the rental or leasing of a passenger motor  
82 vehicle for a period of thirty consecutive calendar days or less, at a rate  
83 of nine and thirty-five-hundredths per cent;

84 (H) (i) With respect to the sale, occurring prior to October 1, 2016, of  
85 [(i)] (I) a motor vehicle for a sales price exceeding fifty thousand  
86 dollars, at a rate of seven and three-fourths per cent on the entire sales  
87 price, [(ii)] (II) jewelry, whether real or imitation, for a sales price  
88 exceeding five thousand dollars, at a rate of seven and three-fourths  
89 per cent on the entire sales price, and [(iii)] (III) an article of clothing or  
90 footwear intended to be worn on or about the human body, a handbag,  
91 luggage, umbrella, wallet or watch for a sales price exceeding one  
92 thousand dollars, at a rate of seven and three-fourths per cent on the  
93 entire sales price;

94 (ii) With respect to the sale, occurring after October 1, 2016, and  
95 prior to October 1, 2017, of (I) a motor vehicle for a sales price  
96 exceeding fifty thousand dollars, at a rate of seven and four-tenths per  
97 cent on the entire sales price, (II) jewelry, whether real or imitation, for  
98 a sales price exceeding five thousand dollars, at a rate of seven and  
99 four-tenths per cent on the entire sales price, and (III) an article of  
100 clothing or footwear intended to be worn on or about the human body,  
101 a handbag, luggage, umbrella, wallet or watch for a sales price  
102 exceeding one thousand dollars, at a rate of seven and four-tenths per  
103 cent on the entire sales price;

104 (iii) With respect to the sale, occurring after October 1, 2017, and  
105 prior to October 1, 2018, of (I) a motor vehicle for a sales price  
106 exceeding fifty thousand dollars, at a rate of seven and five-  
107 hundredths per cent on the entire sales price, (II) jewelry, whether real

108 or imitation, for a sales price exceeding five thousand dollars, at a rate  
109 of seven and five-hundredths per cent on the entire sales price, and  
110 (III) an article of clothing or footwear intended to be worn on or about  
111 the human body, a handbag, luggage, umbrella, wallet or watch for a  
112 sales price exceeding one thousand dollars, at a rate of seven and five-  
113 hundredths per cent on the entire sales price; and

114 (iv) With respect to the sale, occurring after October 1, 2018, and  
115 prior to October 1, 2019, of (I) a motor vehicle for a sales price  
116 exceeding fifty thousand dollars, at a rate of six and seven-tenths per  
117 cent on the entire sales price, (II) jewelry, whether real or imitation, for  
118 a sales price exceeding five thousand dollars, at a rate of six and seven-  
119 tenths per cent on the entire sales price, and (III) an article of clothing  
120 or footwear intended to be worn on or about the human body, a  
121 handbag, luggage, umbrella, wallet or watch for a sales price  
122 exceeding one thousand dollars, at a rate of six and seven-tenths per  
123 cent on the entire sales price.

124 (v) For purposes of this subparagraph, "motor vehicle" has the  
125 meaning provided in section 14-1, but does not include a motor vehicle  
126 subject to the provisions of subparagraph (C) of this subdivision, a  
127 motor vehicle having a gross vehicle weight rating over twelve  
128 thousand five hundred pounds, or a motor vehicle having a gross  
129 vehicle weight rating of twelve thousand five hundred pounds or less  
130 that is not used for private passenger purposes, but is designed or  
131 used to transport merchandise, freight or persons in connection with  
132 any business enterprise and issued a commercial registration or more  
133 specific type of registration by the Department of Motor Vehicles;

134 (I) The rate of tax imposed by this chapter shall be applicable to all  
135 retail sales upon the effective date of such rate, except that a new rate  
136 which represents an increase in the rate applicable to the sale shall not  
137 apply to any sales transaction wherein a binding sales contract without  
138 an escalator clause has been entered into prior to the effective date of  
139 the new rate and delivery is made within ninety days after the effective

140 date of the new rate. For the purposes of payment of the tax imposed  
141 under this section, any retailer of services taxable under subparagraph  
142 (I) of subdivision (2) of subsection (a) of section 12-407, who computes  
143 taxable income, for purposes of taxation under the Internal Revenue  
144 Code of 1986, or any subsequent corresponding internal revenue code  
145 of the United States, as from time to time amended, on an accounting  
146 basis which recognizes only cash or other valuable consideration  
147 actually received as income and who is liable for such tax only due to  
148 the rendering of such services may make payments related to such tax  
149 for the period during which such income is received, without penalty  
150 or interest, without regard to when such service is rendered;

151 (J) For calendar quarters ending on or after September 30, 2011,  
152 except for calendar quarters ending on or after July 1, 2016, but prior to  
153 July 1, 2017, the commissioner shall deposit into the regional planning  
154 incentive account, established pursuant to section 4-66k, six and seven-  
155 tenths per cent of the amounts received by the state from the tax  
156 imposed under subparagraph (B) of this subdivision and ten and  
157 seven-tenths per cent of the amounts received by the state from the tax  
158 imposed under subparagraph (G) of this subdivision;

159 (K) (i) Notwithstanding the provisions of this section, for calendar  
160 months commencing on or after May 1, 2016, but prior to May 1, 2017,  
161 the commissioner shall deposit into the municipal revenue sharing  
162 account established pursuant to section 4-66l four and seven-tenths per  
163 cent of the amounts received by the state from the tax imposed under  
164 subparagraph (A) of this subdivision;

165 (ii) For calendar months commencing on or after May 1, 2017, but  
166 prior to July 1, 2017, the commissioner shall deposit into the municipal  
167 revenue sharing account established pursuant to section 4-66l six and  
168 three-tenths per cent of the amounts received by the state from the tax  
169 imposed under subparagraph (A) of this subdivision;

170 (iii) For calendar months commencing on or after July 1, 2017, the

171 commissioner shall deposit into the municipal revenue sharing  
172 account established pursuant to section 4-66l seven and nine-tenths per  
173 cent of the amounts received by the state from the tax imposed under  
174 subparagraph (A) of this subdivision; and

175 (L) (i) Notwithstanding the provisions of this section, for calendar  
176 months commencing on or after December 1, 2015, but prior to October  
177 1, 2016, the commissioner shall deposit into the Special Transportation  
178 Fund established under section 13b-68 four and seven-tenths per cent  
179 of the amounts received by the state from the tax imposed under  
180 subparagraph (A) of this subdivision;

181 (ii) For calendar months commencing on or after October 1, 2016,  
182 but prior to July 1, 2017, the commissioner shall deposit into the  
183 Special Transportation Fund established under section 13b-68 six and  
184 three-tenths per cent of the amounts received by the state from the tax  
185 imposed under subparagraph (A) of this subdivision; and

186 (iii) For calendar months commencing on or after July 1, 2017, the  
187 commissioner shall deposit into the Special Transportation Fund  
188 established under section 13b-68 seven and nine-tenths per cent of the  
189 amounts received by the state from the tax imposed under  
190 subparagraph (A) of this subdivision.

191 Sec. 3. Subdivision (2) of section 12-408 of the 2016 supplement to  
192 the general statutes is repealed and the following is substituted in lieu  
193 thereof (*Effective October 1, 2016, and applicable to sales occurring on or*  
194 *after October 1, 2016*):

195 (2) (A) Reimbursement for the tax hereby imposed shall be collected  
196 by the retailer from the consumer and such tax reimbursement, termed  
197 "tax" in this and the following subsections, shall be paid by the  
198 consumer to the retailer and each retailer shall collect from the  
199 consumer the full amount of the tax imposed by this chapter or an  
200 amount equal as nearly as possible or practicable to the average  
201 equivalent thereof. Such tax shall be a debt from the consumer to the

202 retailer, when so added to the original sales price, and shall be  
203 recoverable at law in the same manner as other debts except as  
204 provided in section 12-432a. The amount of tax reimbursement, when  
205 so collected, shall be deemed to be a special fund in trust for the state  
206 of Connecticut.

207 (B) [Whenever] Subject to the provisions of subparagraph (E) of this  
208 subdivision, whenever such tax, payable by the consumer (i) with  
209 respect to a charge account or credit sale occurring on or after July 1,  
210 1984, is remitted by the retailer to the commissioner and such sale as  
211 an account receivable is determined to be worthless and is actually  
212 written off as uncollectible for federal income tax purposes, or (ii) to a  
213 retailer who computes taxable income, for purposes of taxation under  
214 the Internal Revenue Code of 1986, or any subsequent corresponding  
215 internal revenue code of the United States, as from time to time  
216 amended, on the cash basis method of accounting with respect to a sale  
217 occurring on or after July 1, 1989, is remitted by the retailer to the  
218 commissioner and such sale as an account receivable is determined to  
219 be worthless, the amount of such tax remitted may be credited against  
220 the tax due on the sales tax return filed by the retailer for the monthly  
221 or quarterly period, whichever is applicable, next following the period  
222 in which such amount is actually so written off, but in no event shall  
223 such credit be allowed later than three years following the date such  
224 tax is remitted, unless the credit relates to a period for which a waiver  
225 is given pursuant to subsection (g) of section 12-415. The commissioner  
226 shall, by regulations adopted in accordance with chapter 54, provide  
227 standards for proving any such claim for credit. If any account with  
228 respect to which such credit is allowed is thereafter collected by the  
229 retailer in whole or in part, the amount so collected shall be included  
230 in the sales tax return covering the period in which such collection  
231 occurs. The tax applicable in any such case shall be determined in  
232 accordance with the rate of sales tax in effect at the time of the original  
233 sale.

234 (C) (i) Any person required to collect tax in accordance with this



235 subsection who demonstrates to the satisfaction of the Commissioner  
236 of Revenue Services by July first of any year that, in any two quarterly  
237 periods as described in section 12-414, within the most recent four  
238 consecutive quarterly periods, such person was a materialman as such  
239 term is used in chapter 847, who has at least fifty per cent of such  
240 person's sales of building materials to contractors, subcontractors or  
241 repairmen for the improvement of real property, and is authorized by  
242 said chapter to file a mechanic's lien upon such real property and  
243 improvement shall, with respect to such sales made through the  
244 quarterly period ending the succeeding June thirtieth, collect tax due  
245 on such sales, and on sales to such contractors, subcontractors or  
246 repairmen of services described in subdivision (2) of subsection (a) of  
247 section 12-407 with respect to such building materials, for such  
248 purpose and made during such July first through June thirtieth period,  
249 at the time and to the extent that such person receives the receipts  
250 from, or consideration for, such sales from such contractors,  
251 subcontractors or repairmen, provided if such person receives a  
252 portion of such receipts or consideration, such person shall collect the  
253 tax due on such portion at the time the portion is received. The taxes  
254 imposed by this chapter on such receipts and consideration shall be  
255 deemed imposed, solely for purposes of determining when such  
256 person is required to collect and pay over such taxes to the  
257 commissioner under section 12-414, when such person has received  
258 payment of such receipts or consideration in money, or money's worth,  
259 from such contractor, subcontractor or repairman. A contractor,  
260 subcontractor or repairman who purchases building materials or  
261 services from such person pursuant to this subparagraph shall, at the  
262 time such contractor, subcontractor or repairman pays any portion of  
263 the purchase price, pay to the person the tax due on the portion of the  
264 purchase price so paid.

265 (ii) In the event that a materialman described in this subparagraph  
266 factors any portion of such materialman's receivables, such  
267 materialman shall be deemed to have received payment of such

268 receipts or consideration in money or money's worth, from the  
269 contractor, subcontractor or repairman and shall be required to pay  
270 over tax on such sale with the next return due, with a credit against  
271 such tax for any tax already paid over with respect to such sale. Any  
272 such amount of tax paid over shall be on account of the tax required to  
273 be collected on the sale to which it relates and such materialman may  
274 take a credit against any tax paid by such contractor, subcontractor or  
275 repairman in the future on such sale, to ensure that tax paid over with  
276 respect to such sale does not exceed the amount of tax imposed on  
277 such sale as if the entire purchase price had been paid at the time of  
278 sale.

279 (iii) A materialman described in this subparagraph who has not  
280 collected the tax due on the full purchase price for a sale described in  
281 this subparagraph from a contractor, subcontractor or repairman  
282 within one year from the date of such sale, shall pay over to the  
283 commissioner the tax due on any balance of such full purchase price  
284 with such materialman's return for the period which includes the date  
285 which is one year after the date of such sale.

286 (iv) The commissioner may assess additional tax due with respect to  
287 a sale described in this subparagraph not later than three years from  
288 the date the tax is required to be paid over to the commissioner  
289 pursuant to this subparagraph, and in the case of a wilfully false or  
290 fraudulent return with intent to evade the tax, or where no return has  
291 been filed such taxpayer shall be subject to the provisions of section 12-  
292 428.

293 (D) In the case of a sale by a producer or wholesaler of newspapers  
294 to a vendor who is not otherwise required to obtain a permit under  
295 this chapter, such producer or wholesaler shall collect the sales tax on  
296 such newspapers at the point of transfer to such vendor. Such tax shall  
297 be based on the stated retail price of such newspapers. Such vendor  
298 may add an amount to the price of the newspapers equal to the  
299 amount paid as sales tax to the producer or wholesaler and such

300 vendor shall not be required to remit such amount to the state.

301 (E) (i) In the case of private label credit card accounts held by a  
302 lender, a retailer shall be entitled to a credit of the tax that the retailer  
303 has previously reported and paid, in the manner set forth in  
304 subparagraph (B) of this subdivision provided:

305 (I) No credit was previously claimed or allowed on any portion of  
306 such accounts; and

307 (II) Such accounts have been found worthless and charged off for  
308 income tax purposes by a lender or, if the lender is not required to file  
309 income tax returns, charged off in accordance with generally accepted  
310 accounting principles by the lender on or after January 1, 2015.

311 (ii) If the retailer or the lender collects any accounts in whole or in  
312 part, the retailer shall include the amount collected in the first sales tax  
313 return filed after such collection and pay tax on that amount with the  
314 return in the manner provided in subparagraph (B) of this subdivision.

315 (iii) The retailer shall maintain adequate books, records or other  
316 documentation supporting the charge off of the accounts for which a  
317 credit is taken under this subparagraph. If a retailer remits sales tax or  
318 use tax to this state and one or more other states, the retailer may:

319 (I) Use an apportionment method, agreed upon by the  
320 Commissioner of Revenue Services, to substantiate the amount of tax  
321 imposed under this chapter included in the bad debts to which the  
322 credit applies. The apportionment method shall use the retailer's sales  
323 in this state and in another state, the retailer's taxable and nontaxable  
324 sales and the amount of tax the retailer remitted to this state; or

325 (II) Treat a specified percentage of the accounts as giving rise to a  
326 credit under this subparagraph. Such percentage shall be derived from  
327 a sampling of the retailer's records in accordance with a method  
328 agreed upon by the commissioner and the retailer.

329     (iv) Nothing in this subparagraph authorizes any credit or refund  
330     with respect to sales by persons other than the retailer whose name or  
331     logo appears on the card or account or sales by persons other than the  
332     affiliates or franchisees of such retailer.

333     (v) For the purposes of this subparagraph, "lender" means any  
334     person, or affiliate of a person, who owns a private label credit card  
335     account or an interest in a private label credit card receivable that:

336         (I) Was purchased from a retail merchant, its affiliates, or a third  
337         party who remitted the tax imposed under this chapter; or

338         (II) Originated pursuant to such person's program agreement or  
339         other contractual arrangement with the retail merchant, or its affiliates,  
340         who remitted the tax imposed under this chapter and "private label  
341         credit card" means any charge, credit card or account that carries,  
342         refers to or is branded with the name or logo of a retailer and can be  
343         used for purchases from the retailer whose name or logo appears on  
344         the card or account or for purchases from any of the retailer's affiliates  
345         or franchisees.

346     Sec. 4. (NEW) (*Effective July 1, 2016*) (a) For the purpose of this  
347     section:

348         (1) "Algorithmic rate" means a rate equal to the rate of tax provided  
349         in section 12-408 of the general statutes, as amended by this act,  
350         divided by the ratio having as its numerator the approximate amount  
351         of taxable revenues generated from credit and debit card receipts from  
352         credit cards that permit split funding during the retailer's immediately  
353         preceding calendar year and having as its denominator the total  
354         taxable revenues for the retailer's immediately preceding calendar  
355         year;

356         (2) "Commissioner" means the Commissioner of Revenue Services;

357         (3) "Credit card processing company" means a business organization

358 that electronically processes, via the Internet, credit and debit card  
359 payments made to a retailer;

360 (4) "Daily revenue" means the total revenue of a retailer for a  
361 business day subject to the sales tax;

362 (5) "Retailer" means any retailer, as defined in section 12-407 of the  
363 general statutes; and

364 (6) "Sales tax trust account" means the account established pursuant  
365 to subsection (b) of this section.

366 (b) (1) Each retailer shall establish, and pay all fees and expenses  
367 associated with, a sales tax trust account for the deposit of the sales tax  
368 collected pursuant to the provisions of chapter 219 of the general  
369 statutes. Such account shall be established in a bank as defined in  
370 section 36a-2 of the general statutes. All funds in such account are  
371 pledged to the state and the state shall have a lien on the amounts in  
372 any such account up to the total sales tax liability of the retailer. Such  
373 lien shall have priority over all other liens on the account.

374 (2) Each retailer shall deposit the sales tax collected pursuant to the  
375 provisions of chapter 219 of the general statutes into such account  
376 within two business days after the day on which such taxes are  
377 collected by a retailer. No other moneys shall be deposited in such  
378 account. Such moneys shall remain in such account until payment is  
379 made to the commissioner pursuant to section 12-414 of the general  
380 statutes. If moneys are deposited into a sales tax account by a retailer  
381 not having a credit card processing company, then the amount  
382 deposited into such account shall be in an amount equal to the  
383 retailer's daily revenue multiplied by the rate of tax provided in  
384 section 12-408 of the general statutes, as amended by this act. If  
385 moneys are deposited into a sales tax account by a credit card  
386 processing company, the amount deposited into such account shall be  
387 in an amount equal to the daily revenue multiplied by the algorithmic  
388 rate. Moneys shall not be deposited into a sales tax account by a credit

389 card processing company unless such company has been approved by  
390 the commissioner in accordance with the regulations adopted  
391 pursuant to this section.

392 (3) The amount on deposit in a sales tax account at the end of the tax  
393 period for the retailer established pursuant to section 12-414 of the  
394 general statutes and prior to payment to the commissioner pursuant to  
395 section 12-414 of the general statutes shall be in an amount equal to (A)  
396 ninety per cent of the tax liability of the retailer for such tax period, or  
397 (B) not less than ninety per cent of the tax liability of the retailer for the  
398 same tax period in the preceding calendar year.

399 (c) The commissioner may electronically withdraw funds from any  
400 sales tax trust account in order to collect the amount of any sales tax  
401 due and unpaid by a retailer.

402 (d) Any retailer who fails to comply with the provisions of this  
403 subsection shall be subject to all interest and penalties imposed under  
404 chapter 219 of the general statutes.

405 (e) The commissioner shall adopt regulations in accordance with the  
406 provisions of chapter 54 of the general statutes to implement the  
407 provisions of this section. Such regulations shall include, but not be  
408 limited to, (1) provisions for refunding any moneys withdrawn from a  
409 sales tax trust account by the commissioner pursuant to subsection (c)  
410 of this section and in excess of the amount of sales tax due and unpaid  
411 by a retailer, and (2) standards for approving credit card processing  
412 companies to make deposits pursuant to subsection (b) of this section.

413 Sec. 5. Subsection (a) of section 12-217g of the 2016 supplement to  
414 the general statutes is repealed and the following is substituted in lieu  
415 thereof (*Effective July 1, 2016, and applicable to income or taxable years, as*  
416 *appropriate, commencing on or after January 1, 2016*):

417 (a) (1) There shall be allowed a credit for any taxpayer against the  
418 tax imposed under this chapter or chapter 229, other than the liability

419 imposed by section 12-707, for any income or taxable year with respect  
420 to each apprenticeship in the manufacturing trades commenced by  
421 such taxpayer in such year under a qualified apprenticeship training  
422 program as described in this section, certified in accordance with  
423 regulations adopted by the Labor Commissioner and registered with  
424 the Connecticut State Apprenticeship Council established under  
425 section 31-22n, in an amount equal to six dollars per hour multiplied  
426 by the total number of hours worked during the income or taxable  
427 year by apprentices in the first half of a two-year term of  
428 apprenticeship and the first three-quarters of a four-year term of  
429 apprenticeship, provided the amount of credit allowed for any income  
430 or taxable year with respect to each such apprenticeship may not  
431 exceed seven thousand five hundred dollars or fifty per cent of actual  
432 wages paid in such [income] year to an apprentice in the first half of a  
433 two-year term of apprenticeship or in the first three-quarters of a four-  
434 year term of apprenticeship, whichever is less.

435 [(2) Effective for income years commencing on and after January 1,  
436 2015, for purposes of this subsection, "taxpayer" includes an affected  
437 business entity, as defined in section 12-284b. Any affected business  
438 entity allowed a credit under this subsection may sell, assign or  
439 otherwise transfer such credit, in whole or in part, to one or more  
440 taxpayers to offset any state tax due or otherwise payable by such  
441 taxpayers under this chapter, or, with respect to income years  
442 commencing on or after January 1, 2016, chapter 212 or 227, provided  
443 such credit may be sold, assigned or otherwise transferred, in whole or  
444 in part, not more than three times.]

445 (2) If the taxpayer is an S corporation or an entity treated as a  
446 partnership for federal income tax purposes, the shareholders or  
447 partners of such taxpayer may claim the credit. If the taxpayer is a  
448 single member limited liability company that is disregarded as an  
449 entity separate from its owner, the limited liability company's owner  
450 may claim the credit.

451 Sec. 6. Subsection (a) of section 3-123sss of the 2016 supplement to  
452 the general statutes is repealed and the following is substituted in lieu  
453 thereof (*Effective October 1, 2016*):

454 (a) Notwithstanding any provision of title 38a, the Comptroller shall  
455 offer to nonstate public employers and their nonstate public  
456 employees, and their retirees, if applicable, coverage under the state  
457 employee plan. Such nonstate public employees, or retirees, if  
458 applicable, shall be pooled with the state employee plan, provided the  
459 Comptroller receives an application from a nonstate public employer  
460 and the application is approved in accordance with this section or  
461 section 3-123ttt. Premium payments for such coverage shall be  
462 remitted by the nonstate public employer to the Comptroller and shall  
463 be the same as those paid by the state inclusive of any premiums paid  
464 by state employees, except as otherwise provided in this section or  
465 section 3-123uuu, as amended by this act. The Comptroller may charge  
466 each nonstate public employer participating in the state employee plan  
467 an administrative fee calculated on a per member, per month basis.  
468 Such administrative fees may include an amount deemed necessary by  
469 the Comptroller to ensure that the state employee premium account  
470 established in accordance with section 3-123uuu, as amended by this  
471 act, maintains a positive balance.

472 Sec. 7. Subsection (a) of section 3-123uuu of the 2016 supplement to  
473 the general statutes is repealed and the following is substituted in lieu  
474 thereof (*Effective October 1, 2016*):

475 (a) There is established an account to be known as the "state  
476 employee plan premium account", which shall be a separate,  
477 nonlapsing account within the General Fund. All premiums paid by  
478 nonstate public employers and nonstate public employees pursuant to  
479 participation in the state employee plan shall be deposited into said  
480 account. The account shall be administered by the Comptroller, with  
481 the advice of the Health Care Costs Containment Committee, for  
482 payment of claims and administrative fees to entities providing



483 coverage or services under the state employee plan. Such  
484 administrative fees shall include an amount deemed necessary by the  
485 Comptroller to ensure that the state employees plan premium account  
486 maintains a positive balance.

487 Sec. 8. Section 32-1r of the general statutes is repealed and the  
488 following is substituted in lieu thereof (*Effective from passage*):

489 (a) [Notwithstanding the provisions of subsection (b) of section 32-  
490 1m, on or before January 1, 2011, and every three years thereafter, the  
491 Commissioner of Economic and Community Development] On or  
492 before January 1, 2017, and every three years thereafter, the Legislative  
493 Program Review and Investigations Committee, in consultation with  
494 the Commissioner of Revenue Services and the Commissioner of  
495 Economic and Community Development, shall prepare a report with  
496 regard to any tax credit or abatement program enacted for the purpose  
497 of recruitment or retention of businesses. The Commissioner of  
498 Economic and Community Development shall provide any data, data  
499 analysis or economic modeling necessary for completion of such  
500 report. The report shall include, but need not be limited to:

501 [(1) A baseline assessment of the tax credit and abatement programs  
502 enacted to encourage business growth in the state, including the  
503 number of aggregate jobs associated with taxpayers eligible for such  
504 tax credits or abatements and the aggregate annual revenue that such  
505 taxpayers generate for the state through the direct taxes applied to  
506 them and through their support of the state's economy through  
507 employment and other activities;

508 (2) A listing, by program, of the amount of tax credits and  
509 abatements approved by the state during the preceding calendar year;

510 (3) A summary and evaluation of all tax credit programs  
511 administered by the Department of Economic and Community  
512 Development. Such summary and evaluation shall include, but need  
513 not be limited to, for each tax credit program: (A) An assessment of the

514 intended statutory and programmatic goals of the tax credit; (B) the  
515 number of taxpayers granted tax credits under the program during the  
516 previous twelve-month period; (C) the value of the tax credits granted,  
517 listed by the North American Industrial Classification System code  
518 associated with the taxpayers receiving such credits; (D) the value of  
519 the tax credits actually claimed and the value of the tax credits carried  
520 forward, listed by the North American Industrial Classification System  
521 code associated with the taxpayers claiming or carrying forward the  
522 credits; (E) an assessment and five-year projection of the potential  
523 impact on the state's revenue stream from carry forwards allowed  
524 under such tax credit program; (F) an analysis of the economic impact  
525 of the tax credit program and whether the statutory and programmatic  
526 goals are being met, with obstacles to such goals identified, if possible;  
527 (G) the type and value of tax credits assigned and a summary by North  
528 American Industrial Classification System codes of taxpayers to which  
529 such credits are assigned; (H) a cost-benefit analysis of the revenue  
530 foregone by allowing a tax credit, as compared to the economic impact  
531 of such credit; (I) the cost to the state to administer the tax credit  
532 program, and a comparison between such cost and the net revenue  
533 generated to the state by each such program; (J) the average and  
534 aggregate administrative and compliance cost, to taxpayers, to comply  
535 with the requirements of the tax credit program; and (K) a  
536 recommendation as to whether the tax credit program should be  
537 continued, modified or repealed, the basis for such recommendation  
538 and the expected impact of such recommendation on the state's  
539 economy;

540 (4) (A) An assessment of the fairness, performance, burden, tax  
541 incidence and economic impact of the state's corporation business tax  
542 and taxes on domestic and foreign insurance companies pursuant to  
543 chapter 207; (B) the cost to the state to administer the state's  
544 corporation business tax and taxes on domestic and foreign insurance  
545 companies pursuant to chapter 207, and a comparison between such  
546 costs and the net revenue generated to the state by such taxes, and (C)

547 the average and aggregate administrative and compliance costs to  
548 taxpayers associated with such taxes; and

549 (5) The methodology and assumptions used in carrying out the  
550 assessments, projections and analyses required pursuant to  
551 subdivisions (1), (3) and (4) of this subsection.]

552 (1) An evaluation of each tax credit or abatement program enacted  
553 for the purpose of recruitment or retention of businesses. For each tax  
554 credit or abatement program, such evaluation shall include, but need  
555 not be limited to:

556 (A) A description of the tax credit or abatement program, its  
557 beneficiaries and its intended statutory and programmatic goals;

558 (B) An analysis of the fiscal impact of the tax credit or abatement  
559 program and whether the cost thereof is likely to increase or decrease  
560 in future years;

561 (C) An analysis of the economic impact of the tax credit or  
562 abatement program and whether the statutory and programmatic  
563 goals are being met, with obstacles to such goals identified, if possible;

564 (D) An analysis of whether the tax credit or abatement program is  
565 being administered efficiently and effectively and the ease or difficulty  
566 for taxpayers to comply with the requirements of such tax credit or  
567 abatement program;

568 (E) A recommendation as to whether the tax credit or abatement  
569 program should be continued, modified or repealed, the basis for such  
570 recommendation and the expected impact of such recommendation on  
571 the state's economy;

572 (F) Any recommendations for improving the administrative  
573 efficiency or effectiveness of a tax credit or abatement program; and

574 (2) The methodology and assumptions used in carrying out the

575 evaluations required pursuant to subdivisions (1) of this subsection.

576 (b) The [Commissioner of Economic and Community Development]  
577 Legislative Program Review and Investigations Committee shall  
578 submit the reports required pursuant to this section [, in accordance  
579 with section 11-4a,] to the Governor, the Secretary of the Office of  
580 Policy and Management, and to the joint standing committees of the  
581 General Assembly having cognizance of matters relating to  
582 appropriations, finance and commerce.

583 (c) On or before March 1, 2017, and every three years thereafter, the  
584 joint standing committees of the General Assembly having cognizance  
585 of matters relating to appropriations and finance shall hold one or  
586 more public hearings on the reports required pursuant to this section.

587 Sec. 9. Subsection (a) of section 2-53g of the general statutes is  
588 repealed and the following is substituted in lieu thereof (*Effective from*  
589 *passage*):

590 (a) The Legislative Program Review and Investigations Committee  
591 shall: (1) Direct its staff and other legislative staff available to the  
592 committee to conduct program reviews and investigations to assist the  
593 General Assembly in the proper discharge of its duties; (2) produce its  
594 reports electronically and post such reports on the Internet web site of  
595 the committee; (3) review staff reports submitted to the committee and,  
596 when necessary, confer with representatives of the state departments  
597 and agencies reviewed in order to obtain full and complete  
598 information in regard to programs, other activities and operations of  
599 the state, and may request and shall be given access to and copies of,  
600 by all public officers, departments, agencies and authorities of the state  
601 and its political subdivisions, such public records, data and other  
602 information and given such assistance as the committee determines it  
603 needs to fulfill its duties. Any statutory requirements of confidentiality  
604 regarding such records, data and other information, including  
605 penalties for violating such requirements, shall apply to the committee,

606 its staff and its other authorized representatives in the same manner  
607 and to the same extent as such requirements and penalties apply to  
608 any public officer, department, agency or authority of the state or its  
609 political subdivisions. The committee shall act on staff reports and  
610 recommend in its report, or propose, in the form of a raised committee  
611 bill, such legislation as may be necessary to modify current operations  
612 and agency practices; (4) consider and act on requests by legislators,  
613 legislative committees, elected officials of state government and state  
614 department and agency heads for program reviews. The request shall  
615 be submitted in writing to the Legislative Program Review and  
616 Investigations Committee and shall state reasons to support the  
617 request. The decision of the committee to grant or deny such a request  
618 shall be final; (5) conduct investigations requested by joint resolution  
619 of the General Assembly, or, when the General Assembly is not in  
620 session, (A) requested by a joint standing committee of the General  
621 Assembly or initiated by a majority vote of the Legislative Program  
622 Review and Investigations Committee and approved by the Joint  
623 Committee on Legislative Management, or (B) requested by the Joint  
624 Committee on Legislative Management. In the event two or more  
625 investigations are requested, the order of priority shall be determined  
626 by the Legislative Program Review and Investigations Committee; (6)  
627 retain, within available appropriations, the services of consultants,  
628 technical assistants, research and other personnel necessary to assist in  
629 the conduct of program reviews and investigations; (7) originate, and  
630 report to the General Assembly, any bill it deems necessary concerning  
631 a program, department or other matter under review or investigation  
632 by the committee, in the same manner as is prescribed by rule for joint  
633 standing committees of the General Assembly; [and] (8) review audit  
634 reports after issuance by the Auditors of Public Accounts, evaluate and  
635 sponsor new or revised legislation based on audit findings, provide  
636 means to determine compliance with audit recommendations and  
637 receive facts concerning any unauthorized, illegal, irregular or unsafe  
638 handling or expenditures of state funds under the provisions of section  
639 2-90; and (9) direct its staff and other legislative staff available to the

640 committee to prepare the report required pursuant to section 32-1r, as  
641 amended by this act.

642 Sec. 10. (*Effective October 1, 2016*) (a) For the purposes of this section:

643 (1) "District" means a certain piece or parcel of land located in the  
644 City of New London, County of New London, State of Connecticut,  
645 said parcel being depicted in appended Maps 2.2.1 through 2.2.4  
646 entitled "Project Boundary Map," containing approximately 90.1 acres  
647 and being more particularly bounded and described as follows:

648 Beginning at a point on the easterly line of Pequot Avenue, said  
649 point having Connecticut State Plan Coordinates of North 685,719.457  
650 and East 1,178,845.876; thence running North 14°27'12" East along said  
651 street line a distance of 96.78' to a point; thence continuing along said  
652 street line North 12°56'48" West a distance of 268.02' to a point at the  
653 southeast corner intersection of Pequot Avenue and Trumbull Street;  
654 thence running North 52°55'41" West a distance of 69.59' to a point on  
655 the easterly line of land of the National Passenger Railroad  
656 Corporation at the southwest corner of land now or formerly of  
657 Calamari Bros. Co. Inc.; thence running North 15°10'12" East along  
658 said Railroad land a distance of 453.12' to a point on the southerly  
659 line of Walbach Street; thence running North 60°21'45" East along  
660 said street line a distance of 110.92' to a point; thence continuing along  
661 said street line North 81°17'35" East a distance of 1.48' to a point at the  
662 southwest corner intersection of Walbach Street and Nameaug Street;  
663 thence running South 08°40'27" East in part along the westerly line of  
664 Nameaug Street in part across Trumbull Street and in part along  
665 property of Calamari Bros. Co. Inc. a distance of 735.36' to a point;  
666 thence running North 81°17'25" East a distance of 44.08' to a point;  
667 thence running North 81°17'15" East a distance of 54.76' to a point;  
668 thence running South 24°04'28" East a distance of 107' more or less to a  
669 corner of a bulkhead at the City of New London Waste Water  
670 Treatment Facility; thence running easterly along the northerly shore  
671 of Bentley Creek a distance of 1,290' more or less to a point near the

672 southwest corner of land known as Fort Trumbull; thence continuing  
673 along the mean low water line of the Thames River generally east and  
674 north a distance of 1,770' more or less to a point at the southeast corner  
675 of land of the United States Coast Guard; thence continuing along the  
676 mean low water line of the Thames River generally east and north a  
677 distance of 656' more or less to a point; thence running North  
678 86°17'03" West a distance of 500.30' to a point at a bulkhead on the  
679 westerly shore of the Thames River; thence running generally  
680 northerly and northwest along bulkheads and shore line of the  
681 Thames River a distance of 1898' more or less to a point at the  
682 westerly line of land of The National Passenger Railroad Corporation;  
683 thence running South 04°57'42" West a distance of 650' more or less to  
684 a point; thence running along a curve to the right having a radius of  
685 2,830.43' a distance of 63.39'; thence running South 27°29'37" West a  
686 distance of 61.99' to a point; thence running North 81°15'37" East a  
687 distance of 20.00' to a point; thence running South 12°01'56" West a  
688 distance of 47.90' to a point; the last five courses running along the  
689 westerly line of said railroad; thence running North 87°06'10" West  
690 along land of The City of New London a distance of 113' more or less  
691 to the shore of Shaw's Cove; thence running generally southerly and  
692 westerly along said Cove a distance of 566' more or less to a point;  
693 thence running South 76°49'37" West a distance of 36' more or less to  
694 a point on the easterly line of Howard Street; thence running South  
695 30°39'13" East along said street line a distance of 48.64' to a point;  
696 thence deflecting to the right and running along the arc of a curve  
697 having a radius of 474.05' a distance of 129.94' to a point at the  
698 northeast corner intersection of Howard Street and Hamilton Avenue;  
699 thence crossing Howard Street running South 80°05'38" West a  
700 distance of 89.44' to a point; thence running along the northerly line  
701 of Hamilton Street South 73°50'30" West a distance of 273.14' to a  
702 point; thence crossing Hamilton Street running South 16°09'30" East a  
703 distance of 50.00' to a point; thence running South 16°09'30" East a  
704 distance of 140.00' to a point; thence running North 72°48'51" East a  
705 distance of 45.81' to a point; thence running generally south along a

706 meander line of the old location of Shaw's Cove a distance of 520'  
707 more or less to a point; thence running South 40°41'27" East a distance  
708 of 50.48' to a point; thence running South 59°13'55" West a distance of  
709 110.50' to a point; thence running South 44° 08'14" East a distance of  
710 65.01' to a point; thence running South 45°42'19" West a distance of  
711 97.29' to a point on the northeast line of Shaw Street; thence running  
712 along said street line South 44°19'17" East a distance of 24.00' to a  
713 point; thence running North 51°50'23" East a distance of 97.65' to a  
714 point; thence running North 59°48'48" East a distance of 50.60' to a  
715 point; thence running South 45°16'24" East a distance of 98.87' to a  
716 point; thence running South 30°20'26" East a distance of 92.03' to a  
717 point on the northerly line of Harris Street; thence running South  
718 59°21'30" West along said street line a distance of 128.56' to a point at  
719 the intersection with Shaw Street; thence crossing Shaw Street running  
720 South 50°57'28" West a distance of 50.21' to a point; thence running  
721 along the southwesterly line of Shaw Street South 44°52'37" East a  
722 distance of 8.57' to a point; thence continuing along Shaw Street South  
723 48°02'21" East a distance of 214.03' to a point; thence running South  
724 72°41'58" East a distance of 37.12' to a point; thence running South  
725 50°15'43" East a distance of 55.46' to a point; Said point being located  
726 on the southwesterly line of Pequot Avenue at the easterly line of land  
727 of the National Passenger Railroad Corporation; thence running  
728 South 15°08'43" West along said Railroad land a distance of 42.72' to a  
729 point; thence running along a curve to the right having a radius of  
730 8082.75 a distance of 260.37' to a point; thence running South  
731 76°14'23" East a distance of 30.00' to a point; thence running South  
732 13°32'13" West a distance of 0.75' to a point; thence running South  
733 81°00'43" East a distance of 133.02' to a point on the westerly line of  
734 Pequot Avenue; thence crossing Pequot Avenue running South  
735 84°26'52" East to a distance of 50.60' to the point and place of  
736 beginning.

737 (2) "Voter" means (A) any person who is an elector of the district, (B)  
738 any citizen of the United States of the age of eighteen years or more



739 who, jointly or severally, is liable to the district for taxes assessed  
740 against such citizen on an assessment of not less than one thousand  
741 dollars on the last-completed grand list of such district, as the case may  
742 be, or who would be so liable if not entitled to an exemption under  
743 subdivision (17), (19), (22), (23) or (26) of section 12-81 of the general  
744 statutes, or (C) holders of record of an interest in real property within  
745 the district.

746 (b) (1) Upon the petition of fifteen or more persons eligible to vote in  
747 the city of New London, specifying the district for any or all of the  
748 purposes set forth in this section, the mayor of such city shall call a  
749 meeting of the voters to act upon such petition, which meeting shall be  
750 held at such place within such city and such hour as the mayor  
751 designates, not later than thirty days after such petition has been  
752 received by the mayor. Such meeting shall be called by publication of a  
753 written notice of the same, signed by the mayor, at least fourteen days  
754 before the time fixed for such meeting in two successive issues of a  
755 newspaper published or circulated in such city. Not later than twenty-  
756 four hours before such meeting, (A) two hundred or more voters or ten  
757 per cent of the total number of voters of such proposed district,  
758 whichever is less, may petition the mayor, in writing, for a referendum  
759 of the voters of such proposed district, or (B) the mayor in his or her  
760 discretion may order a referendum of the voters of such proposed  
761 district, on the sole question of whether the proposed district should  
762 be established. Any such referendum shall be held not less than seven  
763 or more than fourteen days after the receipt of such petition or the date  
764 of such order, on a day to be set by the mayor for a vote by paper  
765 ballots or by a "yes" or "no" vote on the voting machines, during the  
766 hours between twelve o'clock noon and eight o'clock p.m.; except that  
767 such city may, by vote of its city council, provide for an earlier hour for  
768 opening the polls but not earlier than six o'clock a.m., notwithstanding  
769 the provisions of any special act. If voters representing at least two-  
770 thirds of the assessments of holders of record within the proposed  
771 district cast votes in such referendum in favor of establishing the

772 proposed district, the mayor shall reconvene such meeting not later  
773 than seven days after the day on which the referendum is held. Upon  
774 approval of the petition for the proposed district by voters  
775 representing at least two-thirds of the assessments of holders of record  
776 within the proposed district present at such meeting, or if a  
777 referendum is held, upon the reconvening of such meeting after the  
778 referendum, the voters may name the district and, upon the vote of  
779 voters representing a majority of assessments of holders of record  
780 within the proposed district, choose necessary officers therefor to hold  
781 office until the first annual meeting thereof; and the district shall, upon  
782 the filing of the first report filed in the manner provided in subsection  
783 (c) of section 7-325 of the general statutes, thereupon be a body  
784 corporate and politic and have the powers provided in sections 7-324  
785 to 7-329, inclusive, of the general statutes, not inconsistent with the  
786 general statutes or this act, in relation to the objects for which it was  
787 established, that are necessary for the accomplishment of such objects,  
788 including the power to lay and collect taxes. The clerk of such district  
789 shall cause its name and a description of its territorial limits and of any  
790 additions that may be made thereto to be recorded in, and a caveat be  
791 placed upon, the land records of the city of New London.

792 (2) At the meeting called for the purpose of establishing the district  
793 as provided in subdivision (1) of this subsection, the voters may  
794 establish the district for any or all of the following purposes: To  
795 extinguish fires, to light streets, to plant and care for shade and  
796 ornamental trees, to plan, lay out, acquire, construct, maintain and  
797 finance roads, sidewalks, crosswalks, drains, sewers and sewage  
798 treatment facilities, parking facilities, open space, bulkhead repairs,  
799 dredging and construction, environmental remediation and other  
800 infrastructure improvements and to acquire, construct, maintain and  
801 regulate the use of recreational facilities, to plan, lay out, acquire,  
802 construct, reconstruct, repair, maintain, supervise and manage a flood  
803 or erosion control system, to plan, lay out, acquire, construct, maintain,  
804 operate, finance and regulate the use of a community water system, all

805 as hereinafter referred to as the "improvements". The district may  
806 contract with a town, city, borough or other district for carrying out  
807 any of the purposes or the purchase or sale of any of the improvements  
808 for which such district was established.

809 (3) At the meeting called for the purpose of establishing the district  
810 as provided in subdivision (1) of this subsection, the voters shall fix the  
811 date of the annual meeting of the voters for the election of district  
812 officers and the transaction of such other business as may properly  
813 come before such annual meeting. At such organization meeting of the  
814 district, the voters shall elect a president, vice-president, five directors,  
815 a clerk and a treasurer to serve until the first annual meeting for the  
816 election of officers and thereafter such officers shall be elected  
817 annually, provided, upon its organization and at all times thereafter,  
818 one director may be appointed by the mayor of the city of New  
819 London. Not less than three members of the board of directors shall be  
820 residents of the state of Connecticut. Subject to the provisions of  
821 subdivision (4) of this subsection, not fewer than fifteen voters of the  
822 district shall constitute a quorum for the transaction of business at such  
823 organizational meeting of the district; and if fifteen voters are not  
824 present at such meeting, the mayor may adjourn such meeting from  
825 time to time, until at least fifteen voters are present. Special meetings  
826 of the district may be called on the application of ten per cent of the  
827 total number of voters of such district or twenty of the voters of such  
828 district, whichever is less, or by the president or any three directors  
829 upon giving notice as hereinafter provided. Any special meeting called  
830 on the application of the voters shall be held not later than twenty-one  
831 days after receiving such application. Notice of the holding of the  
832 annual meeting and all special meetings shall be given by publication  
833 of a notice of such meetings in a newspaper having a general  
834 circulation in such district at least ten days before the day of such  
835 meetings, signed by the president or any three directors, which notice  
836 shall designate the time and place of such meetings and the business to  
837 be transacted thereat. Two hundred or more persons or ten per cent of

838 the total number of voters of such district, whichever is less, may  
839 petition the clerk of such district, in writing, at least twenty-four hours  
840 prior to any such meeting, requesting that any item or items on the call  
841 of such meeting be submitted to the voters not less than seven or more  
842 than fourteen days thereafter, on a day to be set by the district meeting  
843 or, if the district meeting does not set a date, by the board of directors,  
844 or a vote by paper ballots or by a "yes" or "no" vote on the voting  
845 machines, during the hours between twelve o'clock noon and eight  
846 o'clock p.m., except that any district may, by vote of its board of  
847 directors, provide for an earlier hour for opening the polls but not  
848 earlier than six o'clock a.m. The paper ballots or voting machine ballot  
849 labels, as the case may be, shall be provided by the clerk. When such a  
850 petition has been filed with the clerk, the president, after completion of  
851 other business and after reasonable discussion shall adjourn such  
852 meeting and order such vote on such item or items in accordance with  
853 the petition; and any item so voted may be rescinded in the same  
854 manner. The clerk shall phrase such item or items in a form suitable for  
855 printing on such paper ballots or ballot labels. Subject to the provisions  
856 of subdivision (4) of this subsection, not fewer than fifteen voters of the  
857 district shall constitute a quorum for the transaction of business at any  
858 meeting of the district; and if fifteen voters are not present at such  
859 meeting, the president of the district or, in such president's absence,  
860 the vice-president, may adjourn such meeting from time to time, until  
861 at least fifteen voters are present; and all meetings of the district where  
862 a quorum is present may be adjourned from time to time by a vote of a  
863 majority of the voters voting on the question. At any annual or special  
864 meeting, the voters may, by a majority vote of those present,  
865 discontinue any purposes for which the district is established or  
866 undertake any additional purpose or purposes enumerated in  
867 subdivision (2) of this subsection.

868 (4) (A) A quorum for the transaction of business at the meeting  
869 called for the purpose of establishing the district, as provided in  
870 subdivision (1) of this subsection, shall be either fifteen voters of such

871 district or a majority of the holders of record of interests in real  
872 property within such district, as long as the assessments of such  
873 holders of record constitute more than one-half of the total of  
874 assessments for all interests in real property within such district. If  
875 fifteen voters or a majority of the holders of record of interests in real  
876 property within such district are not present at such meeting or the  
877 assessments of such holders of record constitute less than one-half of  
878 the total of assessments for all interests in real property within such  
879 district, the mayor may adjourn such meeting, from time to time, until  
880 at least fifteen voters or a majority of the holders of record of interests  
881 in real property within such district are present and the assessments of  
882 such holders of record constitute more than one-half of the total of  
883 assessments for all interests in real property within such district.

884 (B) For the transaction of business at any other meeting of the  
885 district, a quorum shall be either fifteen voters of the district or a  
886 majority of the holders of record of interests in real property within  
887 such district, as long as the assessments for such holders of record  
888 constitute more than one-half of the total of assessments for all  
889 interests in real property within such district. If fifteen voters or a  
890 majority of the holders of record of interests in real property within  
891 such district are not present at such meeting or the assessments of such  
892 holders of record constitute less than one-half of the total assessments  
893 for all interests in real property within such district, the president of  
894 the district, or in such president's absence, the vice-president, may  
895 adjourn such meeting, from time to time, until at least fifteen voters or  
896 a majority of the holders of record of interests in real property within  
897 such district are present and the assessments of such holders of record  
898 constitute more than one-half of the total of assessments for all  
899 interests in real property within such district.

900 (5) In any case in which an action for a vote by the voters of the  
901 district is to be initiated by the petition of such voters, in addition to  
902 such other requirements as the general statutes or any special act may  
903 impose, such petition shall be on a form prescribed or approved by the

904 clerk of such district, and each page of such petition shall contain a  
905 statement, signed under penalties of false statement, by the person  
906 who circulated the same, setting forth such circulator's name and  
907 address, and stating that each person whose name appears on said  
908 page signed the same in person in the presence of such circulator, that  
909 the circulator either knows each such signer or that the signer  
910 satisfactorily identified himself to the circulator and that all the  
911 signatures on said page were obtained not earlier than six months  
912 prior to the filing of said petition. Any page of a petition which does  
913 not contain such a statement by the circulator shall be invalid. Any  
914 circulator who makes a false statement in the statement hereinbefore  
915 provided shall be subject to the penalty provided for false statement.  
916 No petition shall be valid for any action for a vote by the voters at any  
917 regular or special district meeting unless such petition shall be  
918 circulated by a voter eligible to vote in such district.

919 (c) Whenever the officers of such district vote to terminate its  
920 corporate existence and whenever a petition signed by ten per cent of  
921 the total voters of such district or twenty of the voters of such district,  
922 whichever is less, applying for a special meeting to vote on the  
923 termination of the district is received by the clerk, the clerk shall call a  
924 special meeting of the voters of such district, the notice of which shall  
925 be signed by the officers thereof, by advertising the same in the same  
926 manner as provided in section 7-325 of the general statutes. Not later  
927 than twenty-four hours before any such meeting, two hundred or more  
928 voters or ten per cent of the total number of voters, whichever is less,  
929 may petition the clerk of the district, in writing, that a referendum on  
930 the question of whether the district should be terminated be held in the  
931 manner provided in section 7-327 of the general statutes. If, at such  
932 meeting, a two-thirds majority of the voters present vote to terminate  
933 the corporate existence of the district, or, if a referendum is held, two-  
934 thirds of the voters casting votes in such referendum vote to terminate  
935 the corporate existence of the district, the officers shall proceed to  
936 terminate the affairs of such district. The district shall pay all

937 outstanding indebtedness and turn over the balance of the assets of  
938 such district to the city in which the district is located, if the legislative  
939 body of the city authorizes such action. No district shall be terminated  
940 under this section until all of its outstanding indebtedness is paid  
941 unless the legislative body of the city in which the district is located  
942 agrees in writing to assume such indebtedness. On completion of the  
943 duties of the officers of such district, the clerk shall cause a certificate  
944 of the vote of such meeting to be recorded in the land records of the  
945 city in which the district is located and the clerk shall notify the  
946 Secretary of the Office of Policy and Management.

947 (d) (1) For purposes of voting at meetings held by such district, any  
948 tenant in common of any interest in real property shall have a vote  
949 equal to the fraction of such tenant in common's ownership of such  
950 interest. Any joint tenant of any interest in real property shall vote as if  
951 each such tenant owned an equal fractional share of such real  
952 property. A corporation shall have its vote cast by the chief executive  
953 officer of such corporation, or such officer's designee. Any entity that is  
954 not a corporation shall have its vote cast by a person authorized by  
955 such entity to cast its vote. No owner shall have more than one vote.

956 (2) No holder of record of an interest in real property shall be  
957 precluded from participating in any district meeting or referendum  
958 because of the form of entity that holds such interest, whether such  
959 holder of record is (A) a corporation, partnership, unincorporated  
960 association, trustee, fiduciary, guardian, conservator or other form of  
961 entity, or any combination thereof, or (B) an individual who holds  
962 interests jointly or in common with another individual or individuals,  
963 or with any one or more of the entities listed in subparagraph (A) of  
964 this subdivision.

965 (e) Notwithstanding any provision of the general statutes, including  
966 sections 7-324 to 7-329, inclusive, of the general statutes, the district  
967 shall have the power to assess, levy and collect benefit assessments  
968 upon the land and buildings in the district which, in its judgment, are

969 benefited by the improvements.

970 (f) (1) Notwithstanding any provision of the general statutes,  
971 including sections 7-324 to 7-329, inclusive, of the general statutes, the  
972 district shall have the power to fix, revise, charge, collect, abate and  
973 forgive reasonable taxes, fees, rents and benefit assessments, and other  
974 charges for the cost of the improvements, financing costs, operating  
975 expenses and other services and commodities furnished or supplied to  
976 the real property in the district in accordance with the applicable  
977 provisions of the general statutes which apply to districts established  
978 under section 7-325 of the general statutes, and this section and in the  
979 manner prescribed by the district. Notwithstanding any provision of  
980 the general statutes, the district may pay the entire cost of any  
981 improvements, including the costs of financing such improvements,  
982 capitalized interest and the funding of any reserve funds necessary to  
983 secure such financing or the debt service of bonds or notes issued to  
984 finance such costs, from taxes, fees, rents, benefit assessments or other  
985 revenues and may assess, levy and collect said taxes, fees, rents or  
986 benefit assessments concurrently with the issuance of bonds, notes or  
987 other obligations to finance such improvements based on the estimated  
988 cost of the improvements prior to the acquisition or construction of the  
989 improvements or upon the completion or acquisition of the  
990 improvements.

991 (2) Notwithstanding any provision of the general statutes, whenever  
992 the district constructs, improves, extends, equips, rehabilitates, repairs,  
993 acquires or provides a grant for any improvements or finances the cost  
994 of such improvements, such proportion of the cost or estimated cost of  
995 the improvements and financing thereof as determined by the district,  
996 may be assessed by the district, herein referred to as "benefit  
997 assessments", in the manner prescribed by such district, upon the  
998 property benefited by such improvements and the balance of such  
999 costs shall be paid from the general funds of the district. The district  
1000 may provide for the payment of such benefit assessments in annual  
1001 installments, not exceeding thirty, and may forgive such benefit



1002 assessments in any single year without causing the remainder of  
1003 installments of benefit assessments to be forgiven. Benefit assessments  
1004 to buildings or structures constructed or expanded after the initial  
1005 benefit assessment may be assessed as if the new or expanded  
1006 buildings or structures had existed at the time of the original benefit  
1007 assessment. It is hereby determined that the provision of open space  
1008 whether within the district or in the city of New London is a benefit to  
1009 all the property in the district.

1010 (3) In order to provide for the collection and enforcement of its  
1011 taxes, fees, rents, benefit assessments and other charges, the district is  
1012 hereby granted all the powers and privileges with respect thereto as  
1013 districts organized pursuant to section 7-325 of the general statutes,  
1014 and as held by the city of New London or as otherwise provided in  
1015 this section. Such taxes, fees, rents or benefit assessments, if not paid  
1016 when due, shall constitute a lien upon the premises served and a  
1017 charge against the owners thereof, which lien and charge shall bear  
1018 interest at the same rate as delinquent property taxes. Each such lien  
1019 may be continued, recorded and released in the manner provided for  
1020 property tax liens and shall take precedence over all other liens or  
1021 encumbrances except a lien for taxes of the city of New London. Each  
1022 such lien may be continued, recorded and released in the manner  
1023 provided for property tax liens.

1024 (4) The budget, taxes, fees, rents, benefit assessments and any other  
1025 charges of the district of general application shall be adopted and  
1026 revised by the board at least annually no more than thirty days before  
1027 the beginning of the fiscal year in accordance with the procedures to be  
1028 established by the board at a meeting called by the board, assuring that  
1029 interested persons are afforded notice and an opportunity to be heard.  
1030 The board shall hold at least two public hearings on its schedule of  
1031 fees, rates, rents, benefit assessments and other charges or any revision  
1032 thereof before adoption, notice of which shall be delivered to the  
1033 mayor and city council of the city of New London and be published in  
1034 at least two newspapers of general circulation in the city of New

1035 London at least ten days in advance of the hearing. No later than the  
1036 date of the publication, the board shall make available to the public  
1037 and deliver to the mayor and the city council of the city of New  
1038 London the proposed schedule of fees, rates, rents, benefit assessments  
1039 and other charges. The procedures regarding public hearing and  
1040 appeal provided by section 7-250 of the general statutes shall apply for  
1041 all benefit assessments made by the district except that the board shall  
1042 be substituted for the water pollution control authority. Should the  
1043 benefit assessments be assessed and levied prior to the acquisition or  
1044 construction of the improvements, then the amount of the benefit  
1045 assessments shall be adjusted to reflect the actual cost of the  
1046 improvements, including all financing costs, once the improvements  
1047 have been completed, should the actual cost be greater than or less  
1048 than the estimated costs. Benefit assessments shall be due and payable  
1049 at such times as are fixed by the board, provided the district shall give  
1050 notice of such due date not less than thirty days prior to such due date  
1051 by publication in a newspaper of general circulation in the city of New  
1052 London and by mailing such notice to the owners of the property  
1053 assessed at their last-known address.

1054 (g) (1) Notwithstanding any provision of the general statutes,  
1055 including sections 7-324 to 7-329, inclusive, of the general statutes,  
1056 whenever the district has authorized the acquisition or construction of  
1057 the improvements or has made an appropriation therefor, the district  
1058 may authorize the issuance of up to one hundred ninety million  
1059 dollars of bonds, notes or other obligations to finance the cost of the  
1060 improvements, the creation and maintenance of reserves required to  
1061 sell the bonds, notes or obligations and the cost of issuance of the  
1062 bonds, notes or obligations, provided no bonds shall be issued prior to  
1063 the district entering into an interlocal agreement with the city of New  
1064 London in accordance with the procedures provided by section 7-339c  
1065 of the general statutes, including at least one public hearing on the  
1066 proposed agreement and ratification by the city council. The bonds,  
1067 notes or other obligations may be secured as to both principal or

1068 interest by (A) the full faith and credit of the district, (B) fees, revenues  
1069 or benefit assessments, or (C) a combination of subparagraphs (A) and  
1070 (B) of this subdivision. Such bonds, notes or obligations shall be  
1071 authorized by resolution of the board. The district is authorized to  
1072 secure such bonds by the full faith and credit of the district or by a  
1073 pledge of or lien on all or part of its revenues, fees or benefit  
1074 assessments. The bonds of each issue shall be dated, shall bear interest  
1075 at the rates and shall mature at the time or times not exceeding thirty  
1076 years from their date or dates, as determined by the board, and may be  
1077 redeemable before maturity, at the option of the board, at the price or  
1078 prices and under the terms and conditions fixed by the board before  
1079 the issuance of the bonds. The board shall determine the form of the  
1080 bonds, and the manner of execution of the bonds, and shall fix the  
1081 denomination of the bonds and the place or places of payment of  
1082 principal and interest, which may be at any bank or trust company  
1083 within the state of Connecticut and other locations as designated by  
1084 the board. In case any officer whose signature or a facsimile of whose  
1085 signature shall appear on any bonds or coupons shall cease to be an  
1086 officer before the delivery of the bonds, the signature or facsimile shall  
1087 nevertheless be valid and sufficient for all purposes the same as if the  
1088 officer had remained in office until the delivery.

1089 (2) While any bonds or notes issued by the district remain  
1090 outstanding, the powers, duties or existence of the district shall not be  
1091 diminished or impaired in any way that will affect adversely the  
1092 interests and rights of the holders of the bonds or notes. Bonds or notes  
1093 issued under this section, unless otherwise authorized by law, shall not  
1094 be considered to constitute a debt of the state of Connecticut or the city  
1095 of New London, or a pledge of the full faith and credit of the state of  
1096 Connecticut or the city of New London, but the bonds or notes shall be  
1097 payable solely by the district or as special obligations payable from  
1098 particular district revenues. Any bonds or notes issued by the district  
1099 shall contain on their face a statement to the effect that neither the state  
1100 of Connecticut nor the city of New London shall be obliged to pay the

1101 principal of or the interest thereon, and that neither the full faith and  
1102 credit or taxing power of the state of Connecticut or the city of New  
1103 London is pledged to the payment of the bonds or notes. All bonds or  
1104 notes issued under this section shall have and are hereby declared to  
1105 have all the qualities and incidents of negotiable instruments, as  
1106 provided in title 42a of the general statutes.

1107 (h) (1) The board may authorize that the bonds be secured by a trust  
1108 agreement by and between the district and a corporate trustee, which  
1109 may be any trust company or bank having the powers of a trust  
1110 company within the state of Connecticut. The trust agreement may  
1111 pledge or assign the revenues. Either the resolution providing for the  
1112 issuance of bonds or the trust agreement may contain covenants or  
1113 provisions for protecting and enforcing the rights and remedies of the  
1114 bondholders as may be necessary, reasonable or appropriate and not in  
1115 violation of law.

1116 (2) All expenses incurred in carrying out the trust agreement may be  
1117 treated as a part of the cost of the operation of the district. The pledge  
1118 by any trust agreement or resolution shall be valid and binding from  
1119 time to time when the pledge is made; the revenues or other moneys  
1120 so pledged and then held or thereafter received by the board shall  
1121 immediately be subject to the lien of the pledge without any physical  
1122 delivery thereof or further act; and the lien of the pledge shall be valid  
1123 and binding as against all parties having claims of any kind in tort,  
1124 contract or otherwise against the board, irrespective of whether the  
1125 parties have notice thereof. Notwithstanding any provision of the  
1126 Uniform Commercial Code, neither this subsection, the resolution or  
1127 any trust agreement by which a pledge is created need be filed or  
1128 recorded except in the records of the board, and no filing need be  
1129 made under title 42a of the general statutes.

1130 (i) Bonds or notes issued under this section are hereby made  
1131 securities in which all public officers and public bodies of the state of  
1132 Connecticut and its political subdivisions, all insurance companies,

1133 trust companies, banking associations, investment companies,  
1134 executors, administrators, trustees and other fiduciaries may properly  
1135 and legally invest funds, including capital in their control and  
1136 belonging to them; and such bonds shall be securities which may  
1137 properly and legally be deposited with and received by any state or  
1138 municipal officer or any agency or political subdivision of the state of  
1139 Connecticut for any purpose for which the deposit of bonds or notes of  
1140 the state of Connecticut is now or may hereafter be authorized by law.

1141 (j) Bonds may be issued under this section without obtaining the  
1142 consent of the state of Connecticut or the city of New London, and  
1143 without any proceedings or the happening of any other conditions or  
1144 things other than those proceedings, conditions or things that are  
1145 specifically required thereof by this section, and the validity of and  
1146 security for any bonds issued by the district shall not be affected by the  
1147 existence or nonexistence of the consent or other proceedings,  
1148 conditions or things.

1149 (k) The district and all its receipts, revenues, income and real and  
1150 personal property shall be exempt from taxation and benefit  
1151 assessments and the district shall not be required to pay any tax, excise  
1152 or assessment to or from the state of Connecticut or any of its political  
1153 subdivisions. The principal and interest on bonds or notes issued by  
1154 the district shall be free from taxation at all times, except for estate and  
1155 gift, franchise and excise taxes, imposed by the state of Connecticut or  
1156 any political subdivision thereof, provided nothing in this section shall  
1157 act to limit or restrict the ability of the state of Connecticut or the city  
1158 of New London to tax the individuals and companies, or their real or  
1159 personal property or any person living or business operating within  
1160 the boundaries of the district.

1161 (l) The board shall at all times keep accounts of its receipts,  
1162 expenditures, disbursements, assets and liabilities, which shall be open  
1163 to inspection by a duly appointed officer or duly appointed agent of  
1164 the state of Connecticut or the city of New London. The fiscal year of

1165 the district shall begin on July first and end on the following June  
1166 thirtieth or as otherwise established by section 7-327 of the general  
1167 statutes. The district shall be subject to an audit of its accounts in the  
1168 manner provided in the general statutes.

1169 (m) (1) The clerk of the district shall submit project activity reports  
1170 quarterly to the Secretary of the Office of Policy and Management and  
1171 to the chairpersons of the joint standing committee of the General  
1172 Assembly having cognizance of matters relating to finance, revenue  
1173 and bonding. Such reports shall provide information and updates on  
1174 the projects undertaken by the district, including the status of the  
1175 design, financing, construction, sales and such other items as the  
1176 secretary or chairpersons may request.

1177 (2) The district shall take affirmative steps to provide for the full  
1178 disclosure of information relating to the public financing and  
1179 maintenance of improvements to real property undertaken by the  
1180 district. Such information shall be provided to any existing residents  
1181 and to all prospective residents of the district. The district shall furnish  
1182 each developer of a residential development within the district with  
1183 sufficient copies of such information to provide each prospective initial  
1184 purchaser of property in such district with a copy, and any developer  
1185 of a residential development within the district, when required by law  
1186 to provide a public offering statement, shall include a copy of such  
1187 information relating to the public financing and maintenance of  
1188 improvements in the public offering statement.

1189 (n) (1) This section shall be deemed to provide an additional,  
1190 alternative and complete method of accomplishing the purposes of this  
1191 section and exercising the powers authorized hereby and shall be  
1192 deemed and construed to be supplemental and additional to, and not  
1193 in derogation of, powers conferred upon the district by law and  
1194 particularly by sections 7-324 to 7-329, inclusive, of the general  
1195 statutes; provided insofar as the proceedings of this section are  
1196 inconsistent with any general statute or special act, or any resolution or

1197 ordinance of the city of New London, this section shall be controlling.

1198 (2) Except as specifically provided in this section, all other statutes,  
1199 ordinances, resolutions, rules and regulations of the state of  
1200 Connecticut and the city of New London shall be applicable to the  
1201 property, residents and businesses located in the district. Nothing in  
1202 this section shall in any way obligate the city of New London to pay  
1203 any costs for the acquisition, construction, equipping or operation and  
1204 administration of the improvements located within the district or to  
1205 pledge any money or taxes to pay debt service on bonds or notes  
1206 issued by the district except as may be agreed to in any interlocal  
1207 agreements executed by the city of New London and the district.

1208 (o) At the option of the city of New London by vote of the city  
1209 council of the city of New London, the district shall be merged into the  
1210 city of New London if no bonds are issued by the district not later than  
1211 four years after the effective date of this section or after the bonds  
1212 authorized by this section are no longer outstanding and any property  
1213 which is owned by the district shall be distributed to the city of New  
1214 London.

1215 (p) This section being necessary for the welfare of the city of New  
1216 London and its inhabitants shall be liberally construed to affect the  
1217 purposes hereof.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>October 1, 2016</i>	7-326
Sec. 2	<i>October 1, 2016, and applicable to sales occurring on or after October 1, 2016</i>	12-408(1)
Sec. 3	<i>October 1, 2016, and applicable to sales occurring on or after October 1, 2016</i>	12-408(2)

Sec. 4	<i>July 1, 2016</i>	New section
Sec. 5	<i>July 1, 2016, and applicable to income or taxable years, as appropriate, commencing on or after January 1, 2016</i>	12-217g(a)
Sec. 6	<i>October 1, 2016</i>	3-123sss(a)
Sec. 7	<i>October 1, 2016</i>	3-123uuu(a)
Sec. 8	<i>from passage</i>	32-1r
Sec. 9	<i>from passage</i>	2-53g(a)
Sec. 10	<i>October 1, 2016</i>	New section

***Statement of Purpose:***

To (1) allow for the establishment of municipal taxing districts to raise revenue for a community broadband system; (2) modify certain sales tax provisions; (3) phase out the luxury tax; (4) require retailers to establish sales tax trust accounts; (5) allow certain business entities to claim the apprenticeship tax credit against the personal income tax; (6) amend the meaning of "administrative fees" for the purposes of enrollment of nonstate public employees in the state employee health plan; (7) revise requirements for the report on business tax credits and abatements; and (8) allow for the creation of a special taxing district in New London.

*[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]*